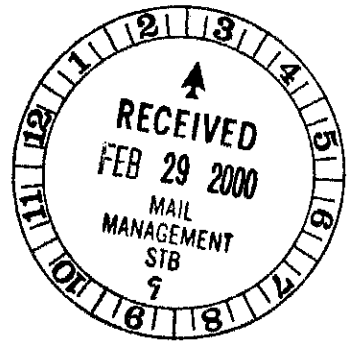


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PRECISION COMPONENTS INC.
1820 S. 35TH AVENUE
PHOENIX, ARIZONA 85009
PHONE 602-272-6566
FAX 602-272-0186



February 28 ,2000

Surface Transportation Board
Office of the Secretary
Case Control Unit, STB Ex Parte No. 582
1925 K Street N.W.
Washington , D.C. 20423-0001

ENTERED
Office of the Secretary

FEB 29 2000

Part of
Public Record

Re: STB Ex Parte No. 582

Dear Sir,

Precision Components Inc., (PCI) operates a 100 acre rail served distribution facility in Phoenix, Arizona. At this facility since 1962 currently our traffic levels approximate 3,200 rail cars per year, received from both the U.P. and B.N.S.F. railroads. This uniquely qualifies us to speak on the matter of major rail mergers.

Having barely survived both the B.N./A.T.S.F. merger and the U.P./S. P. merger, I am opposed to the current proposal for the following reasons.

Neither the B.N.S.F. or the U.P. has reached the full potential efficiency that had been the goal of their mergers. Yes, the mainlines are running smoother, but both railroads are just now starting to look at the capital projects needed to bring local service up to minimum standards. What good is 10 day service from the Pacific Northwest if the shipments sit in local yards for another 7 to 10 days? Local yards that have not, seen any improvements in the last 38 years that we have been in business.

It would seem that for the shipping community to truly observe the benefits of more mergers, then we should allow the recent mergers sufficient time to raise their service levels across their systems, and not just on mainline movements. If the major railroads are ever to reach their goal of improved competition with the trucking industry, this improvement in all services is essential. Another round of mergers now will only serve to distract the railroads from reaching the promised benefits of the last round.

B.N.S.F. claims, for example, that their system is running smooth and they are ready to grow their system. My experience does not agree, traffic from the B.N.S.F. to our facility in Phoenix, while moving into Phoenix promptly, often languishes in local yards for 7 to 10 days before it interchanges for our facility. While I agree that fixing these kind of local service issues is not as exciting or grand as the proposed merger, these issues are more important for the long term health of the United States railroad industry than merging just to be the largest railroad on the continent.

I will support future merger proposals, if and when the railroads involved have reached a reasonable level of service both locally and mainline as was the promise of the most recent mergers.

Thank you for the opportunity to speak on this very important issue.

Sincerely,

A handwritten signature in cursive script that reads "Hal W. Owens". The signature is written in dark ink and is positioned above the printed name and title.

Hal W. Owens
Vice-President